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An unending variety of topics

Sunday, March 19, 2006

Rawlsians' maximin: preposterous risk aversion

To get from John Rawls' "veil of ignorance" argument to his (and worse, most of his followers') favored wealth redistribution schemes requires (besides the ultimate fatal conceit that ignorant people can make rational contracts, as well as the dubious idea that we can pretend that we are ignorant of our own actual preferences) the rather extreme degree of risk aversion embodied in the "maximin" principle. As wikipedia summarizes maximin, "economic inequalities are only permitted insofar as they benefit the least well off members of society." How extreme the risk aversion this principle gives us depends on how small the group constituting the "least well of members" are...you get into strange and intractable triage hypotheticals about saving the life of one person up to the point where you'd cause the starvation of another...define your "least well off" group small enough and North Korea ends up looking like Beverly Hills in comparison to the maximin society.

Except that death in Rawlstopia would be a pleasant Kevorkian-type suicide: if anybody died a painful early death, they'd be the worst off, so we must expend all excess resources to extend their lives to whatever slight extent possible and then give them a merciful sendoff. Others may be saved and fed only insfar as their talents are needed to attend to these worst of the worst off. Otherwise, when the worst off go it's the Kevorkian drip for the other eaters, too.

Although many academics declare their intuition agrees with being very risk averse, those intutions are not made from behind the veil of ignorance, but from their position as (usually) kids of upper middle class origins who have never had a full-time non-academic job. Real poor people often act in a *risk-seeking* fashion, for example by buying lottery tickets.

Posted by Nick Szabo at 11:29 PM

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Nick Szabo

"A premier thinker about history, law and economics, and the lessons they have for security." -- Adam Shostack, Emergent Chaos

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"Reading material that is eclectic, challenging and endlessly fascinating." -- Sean McGrath, Propylon

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